



# ANNUAL REPORT

For the Year Ended  
December 31, 1932



424 NORTH NINETEENTH STREET

PHILADELPHIA, PA.

OFFICE OF THE PRESIDENT

*To the Stockholders of  
American Stores Company:*

There is submitted herewith Consolidated Balance Sheet as at December 31, 1932, and Consolidated Statement of Profit and Loss and Surplus for the year 1932.

Net earnings for the year, after providing for depreciation, taxes and other reserves, amounted to \$4,313,839.63 or \$3.31 per share on 1,302,870 shares of common stock outstanding in the hands of the public at December 31, 1932. This compares with \$5,270,890.59 or \$3.76 per share on 1,399,500 shares for the year 1931.

The total sales amounted to \$115,453,529.74 as compared with \$135,226,406.84 for the year 1931. Food prices continued to decline during the year and this fact, coupled with the restricted buying power of the public, accounts for the decline in dollar volume. At December 31, 1931, we had in operation 2806 stores. During the year we acquired 171 additional, the greater part of which were opened in the latter half of 1932.

Reserves have been provided from earnings for the full amount of the market depreciation of our investments.

Your company is in excellent financial condition. No effort has been spared in effecting economies, consistent with our policy of merchandising.

We wish to call our stockholders' attention to the fact that there are many bills providing for chain store taxes now pending in the various legislatures in the states in which this company does business. We request that you get in touch, either personally or by letter, with the representative of your district, protesting against this discriminatory legislation.

In conformity with resolutions adopted at the Annual Stockholders' Meeting held on March 16, 1932, 100,000 shares of common stock were retired and cancelled. The paid-in capital of the company was thereby reduced by \$1,383,868.32, and earned surplus in the sum of \$2,937,145.26. During the year 96,630 shares of common stock were purchased in the open market. The number of shares in Treasury at December 31, 1932, was 197,130, of which the Board of Directors proposes to recommend the retirement of 100,000 shares.

The Board of Directors wishes to express its appreciation of the loyalty and co-operation of all employees during a difficult period of operation. The spirit of the entire organization is reflected in the satisfactory results for the year.

February 21, 1933.



*President.*

# AMERICAN STORES COMPANY

## and Subsidiary Companies

### Consolidated Balance Sheet

*December 31, 1932*

#### ASSETS

<b>Current Assets</b>	
Cash.....	\$ 3,587,829.66
U.S. Government and Other Marketable Securities—at cost less reserve (Market Value \$2,850,186.26)	2,847,042.00
Due from Relief Agencies .....	620,660.57
Accounts Receivable.....	281,076.47
Inventories—at cost or market, whichever was lower .....	10,165,493.49
Accrued Interest Receivable .....	35,079.82
Total Current Assets.....	17,537,182.01
Loans to Employees—secured by Common Stock of Company ...	922,860.87
Treasury Stock—197,130 shares Common Stock.....	7,037,409.14
<b>Fixed Assets</b>	
Warehouses, Store Properties, Bakeries, Canneries, Garages, Stables, etc.—at cost.....	\$ 21,005,851.04
Less: Reserve for Depreciation .....	<u>7,985,414.64</u>
	13,020,436.40
Goodwill.....	1.00
Deferred Charges.....	350,589.02
	<u>\$ 38,868,478.44</u>

#### LIABILITIES

<b>Current Liabilities</b>	
Accounts Payable and Accrued Charges.....	\$ 1,990,853.52
Dividend Payable.....	651,435.00
Reserve for Federal and State Taxes .....	<u>1,071,499.02</u>
Total Current Liabilities.....	3,713,787.54
Reserve for Contingencies .....	42,954.33
<b>Capital and Surplus</b>	
Common Stock—no par value	
1,800,000 shares authorized	
1,500,000 shares issued and outstanding.....	\$ 20,758,024.78
Earned Surplus.....	<u>14,353,711.79</u>
	<u>\$ 38,868,478.44</u>

# AMERICAN STORES COMPANY

and Subsidiary Companies

## Consolidated Statement of Profit and Loss for the Year Ended December 31, 1932

Sales.....		\$115,453,529.74
Cost of Merchandise Sold.....		<u>88,557,465.39</u>
Gross Profit.....		26,896,064.35
Wages, Rents, Operating and Administrative Expenses.....	\$ 20,137,495.42	
Pennsylvania Sales Tax.....	226,000.00	
Depreciation.....	1,026,325.55	
Reserve for contingencies.....	<u>600,000.00</u>	21,989,820.97
Profit from Operations.....		<u>4,906,243.38</u>
Other Income.....		<u>217,596.25</u>
Net Profit before Federal Income Tax.....		5,123,839.63
Reserve for Federal Income Tax.....		<u>810,000.00</u>
Net Income.....		<u><u>\$ 4,313,839.63</u></u>

## Consolidated Earned Surplus

Balance—December 31, 1931.....		\$ 16,282,772.42
Net Income for year 1932.....		<u>4,313,839.63</u>
		20,596,612.05
Less:		
Dividends on Common Stock.....	\$ 3,305,755.00	
Excess of cost over average paid-in value of 100,000 shares of Common Stock retired and cancelled .....	<u>2,937,145.26</u>	<u>6,242,900.26</u>
Balance—December 31, 1932.....		<u><u>\$ 14,353,711.79</u></u>

NEW YORK, N. Y.  
CHICAGO, ILL.  
BOSTON, MASS.  
PHILADELPHIA, PA.  
SAN FRANCISCO, CAL.  
LOS ANGELES, CAL.  
UTICA, NEW YORK  
DALLAS, TEX.  
DETROIT, MICH.  
CLEVELAND, OHIO  
ST. LOUIS, MO.  
HOUSTON, TEX.  
TULSA, OKLA.  
SEATTLE, WASH.  
PORTLAND, ORE.  
BALTIMORE, MD.

# BARROW, WADE, GUTHRIE & CO.

ACCOUNTANTS AND AUDITORS  
(ESTABLISHED 1883)

GIRARD TRUST BUILDING  
SOUTH PENN SQUARE  
PHILADELPHIA, PA.

MONTREAL, CANADA  
TORONTO, CANADA  
MEXICO CITY, MEXICO  
LONDON, ENGLAND  
MANCHESTER, ENGLAND  
GLASGOW, SCOTLAND  
MELBOURNE, AUSTRALIA  
SYDNEY, AUSTRALIA  
BUENOS AIRES, ARGENTINA  
RIO DE JANEIRO, BRAZIL  
PARA, BRAZIL  
SAO PAULO, BRAZIL  
PARIS, FRANCE  
BERLIN, GERMANY  
HAMBURG, GERMANY  
ANTWERP, BELGIUM

To the Directors of  
American Stores Company,  
424 N. 19th Street,  
Philadelphia, Pa.

Dear Sirs:

We have examined the accounts of the American Stores Company and its subsidiary companies for the year ended December 31, 1932.

The cash and securities have been accounted for by actual inspection or by certificates received from the depositories. The inventories, as attested by responsible officials, have been valued at cost or market, whichever was lower. Depreciation has been provided for on a conservative basis, and provision made for all ascertainable liabilities.

The accompanying Consolidated Balance Sheet and Profit and Loss Account, in our opinion, present, respectively, the financial condition of the American Stores Company and its subsidiary companies as at December 31, 1932, and the results of their operations for the year ended that date.

Yours very truly,



Philadelphia, Pa.  
February 20, 1933.

# *American Stores Company*

## OFFICERS

<i>President</i> .....	Samuel Robinson
<i>Vice-President</i> .....	Robert H. Crawford
<i>Vice-President and General Manager</i> .....	James K. Robinson
<i>Vice-President and Treasurer</i> .....	Wm. M. M. Robinson
<i>Secretary</i> .....	E. J. Flanigan
<i>Assistant Treasurer</i> .....	Wm. Gould
<i>Assistant Secretary</i> .....	J. V. Keers

## DIRECTORS

Samuel Robinson	James K. Robinson
Robert H. Crawford	Wm. M. M. Robinson
John Eagleson	Joseph Gilfillan
E. J. Flanigan	William Park
John M. Hancock	